

**Agreement for Foundry Investment**  
November 7, 2005

Between           Gem Management Limited ("Gem")  
                    11 Bath Street  
                    PO Box 398  
                    St Helier, Jersey JE4 8UT  
                    Channel Islands

And               Hugh H. Aiken ("HHA")  
                    3 Rue Gounod  
                    75017 Paris, France

Either Party may assign this Agreement to a company he / it controls, but he will be responsible that the obligations to the other Party are fulfilled.

**Background**

The Parties intend to form an entity (Foundry Acquisition Company - "FAC") together to buy and operate Rzeszow Foundries ("RF") in Rzeszow, Poland and Heidenheim Giesserei ("HG") in Heidenheim, Germany. The goal is initially to share the equity interest 50/50, and the voting interest 51% GEM / 49% HHA. The Parties intend to obtain debt financing in the amount of \$5,000,000 to \$10,000,000 to pay or repay all or a portion of the purchase price of RF, and to finance capital investment in the foundries, and for other business purposes.

**The Parties agree:**

1. HHA will negotiate with Pratt & Whitney ("PW") and Voith ("V") to buy both foundries. All terms, conditions and price must have both Parties approval. HHA will manage FAC.
2. HHA will provide \$1,000,000 of the cash required at the closing of the purchase of RF, or 50% of the cash required, whichever is less. GEM will provide the balance of the cash at closing of RF up to \$4,000,000.
3. The Parties will work diligently to obtain debt financing from third parties in an amount of \$5,000,000 to \$10,000,000, or as much as possible, immediately upon reaching agreement with PW to purchase RF. The first portion \$3,000,000 of such debt will be used to repay GEM for cash used at closing (or for closing if the debt is raised before closing). The next portion, up to \$2,000,000, will be split equally between GEM and HHA to repay cash used at closing or for closing. The rest of the debt, if any, will remain in the treasury for capital investment and working capital.
4. If less than \$4,000,000 of debt is obtained within 4 months of funding the closing of the purchase of RF, the equity shares in FAC will be adjusted proportionally to reflect the cash contributions of GEM and HHA at the closing.
5. HHA may receive a finder's fee on the purchase of HG.



NSD/CES/REGISTRATION UNIT  
2019 JUL 15 PM 4:06

executed in Jersey, on 22/02/2007, by and between:

1. GEM Management Limited, with its registered office at 11 Bath Street, St. Helier Jersey JE4 8UT, represented by David Bryant, hereinafter referred to as the "Lender"

and

2. ZAMCO sp. z o. o., with its registered office in Warsaw, Poland, Rondo ONZ 1, 00-124 Warsaw, represented by Hugh Aiken, hereinafter referred to as the "Borrower".

THE PARTIES HAVE AGREED AS FOLLOWS:

§ 1. PRINCIPAL AMOUNT AND TERMS ON WHICH LOAN IS EXTENDED

The Lender undertakes to extend to the Borrower and the Borrower undertakes to take out a loan of USD 500,000 (five hundred thousand USD) (the "Principal Amount"), to be used to finance the purchase of shares in Zakład Metalurgiczny WSK Rzeszów sp. z o. o. in Rzeszów, Poland.

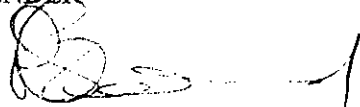
§ 2. REPAYMENT OF PRINCIPAL AMOUNT

The Lender and the Borrower confirm that the Principal Amount will be repaid upon demand. Interest accrued and compounded annually on the Principal Amount shall be at a rate of 6% per annum.


§ 3. FINAL PROVISIONS

1. Any matters not regulated herein shall be governed by applicable provisions of Polish law.
2. Neither Party may assign its rights and obligations hereunder to another entity without the other Party's consent.
3. Any amendments, supplementations or other changes to this Agreement shall be made in the form of a written annex signed by the Parties to this Agreement; otherwise they shall be null and void.
4. As far as feasible, each provision of this Agreement shall be interpreted so that it can be effective. If any provision is illegal or invalid by force of law, such provision shall be deemed ineffective only to the extent to which it is illegal or invalid while the remaining part of such provision and this Agreement shall remain valid and legally effective.
5. Any and all disputes or financial claims which may arise between the Parties in connection with the provisions or performance of this Agreement shall be finally settled by the Arbitration Tribunal at the Polish Chamber of Commerce in Warsaw in accordance with its rules, by three arbitrators appointed pursuant to the rules.
6. This Agreement has been made in English, in two (2) counterparts, one (1) for each of the Parties.

LENDER

  
GEM Management Limited

BORROWER

  
ZAMCO Sp. z o. o.

executed in Paris, on Feb 13, 07, by and between:

1. Hugh Aiken, living in Paris, 3 rue Gounod, 75017 Paris, hereinafter referred to as the "Lender"

and

2. ZAMCO sp. z o. o., with its registered office in Warsaw, Poland, Rondo ONZ 1, 00-124 Warsaw, represented by Tomasz Chilarski under a resolution of the Extraordinary Shareholders' Meeting of ZAMCO sp. z o. o., hereinafter referred to as the "Borrower".

THE PARTIES HAVE AGREED AS FOLLOWS:

§ 1. PRINCIPAL AMOUNT AND TERMS ON WHICH LOAN IS EXTEND

The Lender undertakes to extend to the Borrower and the Borrower undertakes to take out a loan of USD 500,000 (five hundred thousand USD) (the "Principal Amount"), to be used to finance the purchase of shares in Zakład Metalurgiczny WSK Rzeszów sp. z o. o. in Rzeszów, Poland.


§ 2. REPAYMENT OF PRINCIPAL AMOUNT

The Lender and the Borrower confirm that the Principal Amount will be repaid upon demand. Interest accrued and compounded annually on the Principal Amount shall be at a rate of 6% per annum.

§ 3. FINAL PROVISIONS


1. The Borrower has obtained the consent of its shareholders' meeting to execute this Agreement.
2. Any matter not regulated herein shall be governed by applicable provisions of Polish law.
3. Neither Party may assign its rights and obligations hereunder to another entity without the other Party's consent.
4. Any amendment, supplementation or other changes to this Agreement shall be in the form of a written annex signed by the Parties to this Agreement; otherwise they shall be null and void.
5. As far as feasible, each provision of this Agreement shall be interpreted so that it can be effective. If any provision is illegal or invalid by force of law, such provision shall be deemed ineffective only to the extent to which it is illegal or invalid and the remaining part of such provision and this Agreement shall remain valid and legally effective.
6. Any and all disputes or financial claims which may arise between the Parties in connection with the provisions or performance of this Agreement shall be finally settled by the Arbitration Tribunal at the Polish Chamber of Commerce in Warsaw in accordance with its rules, by three arbitrators appointed pursuant to the rules.
7. This Agreement has been made in English in two (2) counterparts, one (1) for each of the Parties.

LENDER

  
Hugh Aiken

BORROWER

Warsaw, 21. Feb. 2007

  
Tomasz Chilarski -  
ZAMCO Sp. z o. o. pełnomocnik  
(attorney)



## STATEMENT ON TAKING UP SHARES

1. **GEM Management Limited** represents that under Resolution no. 1 of the Extraordinary Shareholders' Meeting of ZAMCO spolka z ograniczona odpowiedzialnoscia with its registered office in Warsaw (entered in the register of businesses maintained by the District Court for the Capital City of Warsaw in Warsaw – 12th Economic Division of the Polish Court Register under no. KRS 0000251534), passed on 15 March 2007, the share capital of this Company was increased from PLN 50,000.00 (fifty thousand zloties) to PLN 2,996,900.00 (two million nine hundred ninety six thousand nine hundred zloties), i.e. by PLN 2,946,900.00 (two million nine hundred forty six thousand nine hundred zloties), being an equivalent of USD 1,000,000.00 (one million American dollars) at the average rate published by the President of the National Bank of Poland on the date of the resolution adoption by creating 58,938 (fifty eight thousand nine hundred thirty eight) new shares, each of nominal value of PLN 50.00 (fifty zloties); the shares will be fully paid up in cash.

2. **GEM Management Limited** represents that under Resolution no. 1 of the Extraordinary Shareholders' Meeting of ZAMCO spolka z ograniczona odpowiedzialnoscia with its registered office in Warsaw, described in 1 hereof, it **takes up** 29,469 (twenty nine thousand four hundred sixty nine) newly created, equal and indivisible shares in the increased share capital of this Company, each of nominal value of PLN 50 (fifty zloties) and of total nominal value of PLN 1,473,450.00 (one million four hundred seventy three thousand four hundred fifty zloties) and pays them up fully in cash.

3. **GEM Management Limited** will be obliged to pay for the newly created shares of ZAMCO spolka z ograniczona odpowiedzialnoscia within 2 weeks of the date on which the statement is made, otherwise the statement will be deemed ineffective.

For and on behalf of  
**Gem Management Limited**



**Phillipa Orchard - Director**

Notary:



GEOFFREY ST. C. CORNWALL  
NOTARY PUBLIC  
12-14 DAVID PLACE  
ST. HELIER, JERSEY JE2 4TD  
TEL: 01534 760120 FAX: 01534 760128

*28th March 2007*

Repertorium A nr 3304/2007

## AKT NOTARIALNY

Dnia piętnastego marca roku dwa tysiące siódmego (15.03.2007) przede mną **Arturem Kędzierskim**, notariuszem w Warszawie, prowadzącym Kancelarię Notarialną w Warszawie przy ulicy Łuckiej nr 18 lokal 12, przybyłym do siedziby kancelarii prawniczej **Domański Zakrzewski Palinka** spółka komandytowa w Warszawie przy Rondzie ONZ nr 1, stawiał się -----

**Hugh Holcombe AIKEN Jr**, według jego oświadczenia imiona rodziców: Hugh i Patricia, zamieszkały w Stanach Zjednoczonych Ameryki Północnej pod adresem: 305 New Darlington Road, Media, PA 19063, legitymujący się paszportem amerykańskim numer 017057887 z terminem ważności do dnia 16 kwietnia 2013 roku. -----

Tożsamość Stawającego notariusz ustalił na podstawie okazanego przy niniejszym akcie notarialnym dokumentu powołanego przy nazwisku, zaś stan cywilny na podstawie oświadczenia Stawającego. -----

## OŚWIADCZENIE O OBJĘCIU UDZIAŁÓW

§ 1. Hugh Aiken oświadcza, że stosownie do treści Uchwały Nr 1 Nadzwyczajnego Zgromadzenia Wspólników Spółki pod firmą **ZAMCO** spółka z ograniczoną odpowiedzialnością z siedzibą w Warszawie (wpisanej do rejestru przedsiębiorców, prowadzonego przez Sąd Rejonowy dla m. st. Warszawy w Warszawie - XII Wydział Gospodarczy Krajowego Rejestru Sądowego, pod numerem KRS 0000251534), powziętej w dniu 15 marca 2007 roku, kapitał zakładowy tej Spółki został podwyższony z kwoty 50.000,00 zł (pięćdziesiąt tysięcy złotych) do kwoty do kwoty 2.996.900,00 zł (dwa miliony dziewięćset dziewięćdziesiąt sześć tysięcy dziewięćset złotych), czyli o kwotę 2.946.900,00 zł (dwa miliony dziewięćset czterdzieści sześć tysięcy dziewięćset złotych), stanowiącą



tożsamość notariusz ustalił na podstawie okazanego przy niniejszej czynności dowodu osobistego serii ABA numer 115563 z terminem ważności do dnia 11 lutego 2012 roku, zaś uprawnienia do dokonywania tłumaczeń przysięgłych z języka angielskiego i na język angielski na podstawie okazanego przy niniejszym akcie notarialnym Zaświadczenia, wydanego z upoważnienia Ministra Sprawiedliwości przez Dyrektora Departamentu Organizacyjnego Ministerstwa Sprawiedliwości w dniu 21 listopada 2006 roku (Nr DO-V-0191-4056/05). -----

Akt ten został odczytany, przyjęty i podpisany. -----

Na oryginale aktu właściwe podpisy: Stawającego, tłumacza przysięgłego i notariusza. -----

### Repertorium A nr 3307/2007

Wypis ten wydano Spółce. -----

Pobrano: -----

- a) wynagrodzenie notariusza na podstawie § 12 rozporządzenia Ministra Sprawiedliwości z dnia 28 czerwca 2004 roku w sprawie maksymalnych stawek taksy notarialnej (Dz. U. Nr 148, poz. 1564 ze zm.) w kwocie 18,00 zł, ---
- b) podatek od towarów i usług w wysokości 22 % od pobranego wynagrodzenia na podstawie art. 41 ust. 1 ustawy z dnia 11 marca 2004 roku o podatku od towarów i usług (Dz. U. Nr 54, poz. 535 ze zm.) w kwocie 3,96 zł. -----

Warszawa, dnia piętnastego marca roku dwa tysiące siódmego (15.03.2007). -----



*Artur Kędzierski*  
Artur Kędzierski  
NOTARIUSZ

**GEM MANAGEMENT LIMITED**  
(the "Company")

Minutes of a meeting of the directors of the Company held by telephone conference on 9 February 2007.


**PARTICIPATING :**                      Phillipa S Orchard - director  
   Petros Livanios - director

**CHAIRMAN:**                              Phillipa S Orchard was elected chairman of the meeting.

**PURCHASE AGREEMENT:**                      **IT WAS RESOLVED** that the company authorise, enter into and execute a Purchase Agreement between WSK Rzeszow, Gem Management Limited, Hugh Aiken and Zamco sro to acquire the entire shareholding of WSK Rzeszow and will meet its obligations as detailed in the Purchase Agreement.

**IT WAS RESOLVED** that the Purchase Agreement between WSK Rzeszow, Gem Management Limited, Hugh Aiken and Zamco sro be signed by Phillipa S Orchard for and on behalf of the Company.

**FURTHER BUSINESS:**                      There being no further business the meeting was declared closed.

  
\_\_\_\_\_  
**PHILLIPA S ORCHARD**  
Chairman of the meeting

01 4212  
AA/con/GEMMAN

NSD/FARA REGISTRATION UNIT  
2019 JUL 15 PM 4:06



Execution Copy

## PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT ("Agreement") is made and entered into this 7<sup>th</sup> day of March, 2007, by and between Wytwórnia Sprzętu Komunikacyjnego „PZL – Rzeszów” Spółka Akcyjna, a corporation organized and existing under the laws of the Republic of Poland ("Seller"), GEM Management Limited organized and existing under the laws of the British Virgin Islands ("GEM"), Hugh Aiken, an individual United States citizen with an address at 305 New Darlington Road, Media, Pennsylvania 19063 ("Aiken") and ZAMCO Spółka z ograniczoną odpowiedzialnością, a limited liability company organized and existing under the laws of the Republic of Poland ("ZAMCO", and together with GEM and Aiken, the "Buyer"). Buyer and Seller are also referred to herein as the "Parties" or individually a "Party".

### WITNESSETH:

WHEREAS, subject to the terms and conditions of this Agreement, Seller desires to sell 180,100 (in words: one hundred eighty thousand, one hundred) shares constituting one hundred percent (100%) of the equity interest (the "Equity Interest") in Zakład Metalurgiczny "WSK Rzeszów" Spółka z ograniczoną odpowiedzialnością, a limited liability company organized and existing under the laws of the Republic of Poland (the "Company") to ZAMCO, and ZAMCO desires to purchase the Equity Interest from Seller, on the terms and subject to the conditions set forth below.

NOW, THEREFORE, in consideration of the mutual representations, warranties and covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

### ARTICLE 1 DEFINITIONS

1.1 Specific Terms. For purposes of this Agreement, the following capital terms shall have the meanings ascribed to them in this Section 1.1:

"Affiliate" means, with respect to any Person, (i) any director, officer, employee, partner or principal of such Person, (ii) any other Person of which such Person is a director, officer, employee, partner or principal, (iii) any Person who directly or indirectly controls, is controlled by, or is under common control with, such Person. Control for this purpose means, with respect to any Person, the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of such Person, whether through ownership of voting equity, by contract or otherwise.

"Agreement" means this Purchase Agreement, including the Exhibits and Schedules attached hereto, as the foregoing may be amended from time to time.

"Assets" means the buildings, fixtures, improvements, machinery, equipment, tools, furniture, improvements and other tangible personal property.





Execution Copy

(b) Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms.

(c) the words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation."

(d) The words "herein", "hereof" and "hereunder" and words of similar import refer to this Agreement (including any Exhibits or Schedules) in its entirety and not to any part hereof unless the context shall otherwise require.

(e) All references herein to Articles, Sections, Exhibits and Schedules shall be deemed references to Articles and Sections of, and Exhibits and Schedules to, this Agreement unless the context shall otherwise require.

(f) Unless the context shall otherwise require, any references to any agreement or other instrument or statute or regulation are to it as amended and supplemented from time to time (and, in the case of a statute or regulation, to any corresponding provisions of successor statutes or regulations).

(g) Any reference in this Agreement to a "day" or number of "days" (without the explicit qualification of "Business") shall be interpreted as a reference to a calendar day or number of calendar days. If any action or notice is to be taken or given on or by a particular calendar day, and such calendar day is not a Business Day, then such action or notice shall be deferred until, or may be taken or given on, the next Business Day.

## ARTICLE 2 SALE AND PURCHASE OF THE EQUITY INTEREST

2.1 Sale and Purchase of the Equity Interest; Transfer of Title. Subject to the terms and conditions of this Agreement and in consideration of the Purchase Price, Seller shall sell the Equity Interest to ZAMCO, and ZAMCO shall purchase from Seller the Equity Interest, free from any liens or other third party rights. The ownership of the Equity Interest will transfer upon fulfillment of the conditions precedent set forth in Sections 7.1 and 7.2. The Equity Interest will be transferred with all rights attaching or accruing thereto now or after the date hereof, including the right to any dividend declared on or after December 31, 2006.

2.2 Consideration. The aggregate consideration for the Equity Interest shall be 4,432,500 Polish Zlotys (in words: Four Million Four Hundred Thirty-Two Thousand Five Hundred Polish Zlotys) (the "Purchase Price").

2.3. Deposit; Closing. Upon the execution of this Agreement, Buyer shall deliver to Seller an amount equal to 600,000 Polish Zlotys (in words: Six Hundred Thousand Polish Zlotys) by wire transfer or by a banker's check in accordance with the instructions provided by Seller; provided, however, that such amount shall be returned to Buyer in the event that this Agreement is terminated pursuant to Section 7.4 because the





Execution Copy

or incurred any liability for any brokerage fee, commission or finders' fee in connection with any of the transactions contemplated hereby or by any Other Agreement. Any fee that may be payable to Central Europe Trust Company Limited in connection with the engagement referred to in the preceding sentence is the responsibility of Seller.

3.6. Required Consents. Except for those (i) set forth on Schedule 3.6 and (ii) that, by their terms, are appropriately procured and maintained by Buyer, no consent, approval or authorization of, or registration or filing with, any Person or governmental authority is required in connection with the execution and delivery by Seller of this Agreement which, if not obtained or made, would adversely affect Seller's ability to consummate the transactions contemplated by this Agreement.

3.7. Disclaimer. Notwithstanding anything to the contrary contained in Articles 3 and 4 or any other provision of this Agreement or any Other Agreement, Seller is making no representation or warranty whatsoever, whether express or implied, beyond those expressly given in Articles 3 and 4, including but not limited to any implied warranty or representation as to condition, merchantability, fitness or suitability for a particular purpose as to the Equity Interest or any asset or property of the Company. Except as otherwise specifically provided in Articles 3 and 4, the Equity Interest is being sold on an "AS IS" basis.

#### ARTICLE 4 REPRESENTATIONS AND WARRANTIES REGARDING THE COMPANY

Seller represents and warrants to Buyer as follows:

4.1. Organization: Qualification. The Company is a limited liability company duly organized, validly existing and in good standing under the laws of the Republic of Poland, and has the requisite power and authority to own or lease its assets and to carry on its business as currently conducted. All resolutions and documents required to be filed with the Polish National Court Register have been timely filed and were true and accurate in all material respects as of the date of the filing thereof.

4.2. Capitalization: Subsidiaries. Schedule 4.2 contains the capitalization of the Company. The Equity Interest has been duly authorized, validly issued and fully paid in compliance with all applicable legal requirements. There are no outstanding subscriptions, options or other agreements or rights of any kind (other than this Agreement) to purchase or otherwise receive or be issued, or securities or obligations of any kind convertible into, an equity interest in the Company. The Seller is the sole shareholder of the Company. The Company does not own any shares of capital stock or other equity interest in any corporation, partnership, limited liability company or joint venture.

4.3. No Pending Legal Proceedings. Except as set forth on Schedule 4.3, as of the date of this Agreement, there are no Legal Proceedings pending (a) against the Company, its operations, or its directors and officers (acting in such capacity only), (b) seeking to delay, limit or enjoin the transactions contemplated by this Agreement or





Execution Copy

**ARTICLE 5**  
**REPRESENTATIONS AND WARRANTIES OF BUYER**

Buyer represents and warrants to Seller as follows:

5.1. Organization. ZAMCO is a limited liability company duly incorporated, validly existing and in good standing under the laws of its jurisdiction of organization, and has the requisite power and authority to own or lease its properties, carry on its business, and enter into this Agreement and the Other Agreements to which it is or is to become a party and perform its obligations hereunder and thereunder.

5.2. Authorization; Enforceability. This Agreement and each Other Agreement to which Buyer is a party have been duly executed and delivered by and (assuming due authorization, execution and delivery by Seller) constitute the legal, valid and binding obligations of Buyer, enforceable against it in accordance with their respective terms, subject to the effect of any applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to the effect of general principles of equity.

5.3. No Violation. The execution and delivery of this Agreement by Buyer will not: (i) contravene any provision of the charter documents or organizational documents of Buyer, (ii) result in a breach (or an event that might, with the passage of time or the giving notice or both, constitute a breach) of any of the terms of any material contract, agreement or instrument to which Buyer is a party, or (iii) violate any applicable Legal Requirement.

5.4. No Pending Legal Proceedings. No Legal Proceeding is pending or, to Buyer's knowledge, threatened against or adversely affecting the transactions contemplated by this Agreement or any Other Agreement. There is presently no outstanding Order against Buyer in connection with any of the transactions contemplated by this Agreement or any Other Agreement.

5.5. Financing. Buyer has, and will have at the Closing, all funds necessary to consummate the transactions contemplated by this Agreement. The ability of Buyer to consummate the transactions contemplated by this Agreement is not subject to any condition or contingency with respect to financing.

5.6. Finders' Fees. Neither Buyer nor any of its Affiliates has employed any broker or finder or incurred any liability for any brokerage fee, commission or finders' fee in connection with any of the transactions contemplated hereby, the fees for which shall be paid by Buyer.

5.7. Required Consents. Except for the consent of the Polish Office of Competition and Consumers' Protection described in Section 5.8, no consent, approval or authorization of, or registration or filing with, any person or governmental authority is required in connection with the execution and delivery by Buyer of this Agreement which, if not obtained or made, would adversely affect Buyer's ability to consummate the transactions contemplated by this Agreement.





Execution Copy

(d) Purchase Order Payment. Seller shall pay up to 1,230,000.00 PLN (in words: One Million Two Hundred Thirty Thousand Polish Zlotys) plus the applicable 22% V.A.T. thereon, as full payment of the purchase order attached hereto as Schedule 6.2 (d). Buyer hereby acknowledges and agrees that such purchase order may not be amended or modified, including any related scope of work, without Seller's prior written consent.

6.3. Intercompany Payable. As of January 31, 2007, the aggregate overdue amount owed by the Company to Seller equaled 9,892,025.35 PLN (in words: Nine Million Eight Hundred Ninety-Two Thousand Twenty-Five 35/100 Polish Zlotys) for services rendered and goods and energy supplied. Buyer shall pay or cause the Company to pay such amount in accordance with the schedule set forth in Schedule 6.3. All other amounts owed by the Company to Seller shall be paid in accordance with their terms.

6.4. Affiliate Guarantees. Every guarantee made or surety obligation incurred by Seller or any direct or indirect holder of an equity interest in Seller in respect of the Company, including those guarantees and obligations identified on Schedule 6.4, shall be terminated and Buyer (or an Affiliate of Buyer) shall guaranty such obligation on behalf of the Company in a manner acceptable to the beneficiary of such guarantee or obligation.

6.5. Acknowledgement; Buyer Investigation. Buyer expressly acknowledges and agrees that the Equity Interest is being sold on an "AS IS" basis. Further, Buyer acknowledges and agrees that it (i) has made its own inquiry and investigation into, and, based thereon, has formed an independent judgment concerning, the Company, (ii) has been furnished with or given adequate access to such information about the Company as it has requested, and (iii) will not assert any claim against Seller, its Affiliates or any of their respective directors, officers, employees, agents, stockholders, Affiliates, consultants, counsel, accountants, investment bankers or representatives, or hold any such Persons liable, for any inaccuracies, misstatements or omissions with respect to information furnished by any such persons concerning Seller, its Affiliates and the Company, unless such inaccuracies, misstatements or omissions constitute a breach of this Agreement; provided, however, that as of the date hereof, Buyer is not aware that any representation or warranty of Seller set forth in Articles 3 or 4 is untrue or inaccurate in any material respect.

6.6. Certain Agreements. Each Party agrees that it will fulfill its obligations under the Omnibus Agreement set forth as Exhibit A, Social Guaranty Agreement set forth as Exhibit B, Agreement Regarding Industrial Drainage set forth as Exhibit C and Transitional Services Agreement set forth as Exhibit D.

## ARTICLE 7 CONDITIONS PRECEDENT; TERMINATION

7.1. Conditions Precedent to Buyer's Obligations. The obligation of Buyer to proceed with the Closing is subject to the fulfillment prior to or at Closing of the following conditions:



Execution Copy

IN WITNESS WHEREOF, each of the Parties hereto has caused this Agreement to be executed on its behalf as of the date first set forth above.

Wytwórnia Sprzętu Komunikacyjnego  
„PZL – Rzeszów” Spółka Akcyjna

By: \_\_\_\_\_

Title: \_\_\_\_\_

Wiceprezes Zarządu  
ds. Finansowych  
*Małgorzata Schmidt*  
(1)

By: \_\_\_\_\_

Title: \_\_\_\_\_

Dyrektor Obsługi Prawnej  
*mgr Joanna Pijanowska*

GEM Management Limited

By: \_\_\_\_\_

Title: \_\_\_\_\_

Hugh Aiken

ZAMCO Sp. z o.o.

By: \_\_\_\_\_

Title: Management Board Member

[signatures certified by a notary]





Execution Copy

IN WITNESS WHEREOF, each of the Parties hereto has caused this Agreement to be executed on its behalf as of the date first set forth above.

Wytwórnia Sprzętu Komunikacyjnego  
„PZL – Rzeszów” Spółka Akcyjna

By: \_\_\_\_\_

Title: \_\_\_\_\_

GEM Management Limited

By: \_\_\_\_\_

Title: Director

Hugh Aiken

\_\_\_\_\_

ZAMCO Sp. z o.o.

By: \_\_\_\_\_

Title: Management Board Member

*[signatures certified by a notary]*





Execution Copy

(i) A current excerpt from the register of entrepreneurs of the National Court Register confirming that each of Seller and the Company is a validly existing commercial company in the Republic of Poland.

(ii) An extract from the Company's share register confirming that Seller is a sole shareholder of the Company entitled to exercise the rights attached to the Equity Interest.

(iii) A certificate of Seller's management board: (A) setting forth all resolutions of the management board of Seller authorizing the execution and delivery of this Agreement and the performance by Seller of the transactions contemplated hereby, (B) certifying as correct the statute of Seller, and (C) certifying as correct the articles of association of the Company.

(iv) Copies of the consents and approvals set forth on Schedule 3.6.

(v) An Omnibus Agreement in the form of Exhibit A duly executed by Seller and the Company.

(vi) An agreement regarding the industrial drainage system in the form of Exhibit C duly executed by Seller and the Company.

(vii) A Transitional Services Agreement in the form of Exhibit D.

(viii) A Closing Statement in the form of Exhibit E duly executed by Seller.

(b) Deliveries by Buyer. Buyer shall deliver or cause to be delivered to Seller at Closing:

(i) (A) 3,832,500 PLN (in words: Three Million Eight Hundred Thirty-Two Thousand Five Hundred Polish Zlotys) by wire transfer or by a banker's check in accordance with the instructions provided by Seller.

(ii) (A) A current extract from the register of entrepreneurs of the National Court Register confirming that ZAMCO is a valid existing commercial company in the Republic of Poland and (B) a certificate of the appropriate public official to the effect that GEM is a validly existing entity in its state or country of organization.

(iii) A certificate of (A) ZAMCO's management board: (1) setting forth all resolutions of the management board of ZAMCO authorizing the execution and delivery of this Agreement and the performance by ZAMCO of the transactions contemplated hereby, and (2) certifying as correct the articles of association of ZAMCO and (B) the Secretary of GEM: (1) setting forth all resolutions of GEM's board of directors authorizing the execution and delivery of this Agreement and the performance by GEM of the transactions contemplated hereby; (2) certifying as correct





Execution Copy

(a) The representations and warranties of the Parties shall survive for a period of six (6) months following the date of this Agreement, except for the following: (i) *Section 3.4* (Ownership of Equity Interest) and *Section 4.4* (Taxes), which shall survive for a period equal to the expiration of the applicable statute of limitations allowing a claim to be brought for violation thereof.

(b) Neither Party hereto shall have any liability to the other for any consequential damages, provided, however, that this limitation shall not apply to third party consequential damages.

(c) Neither Buyer nor Seller shall have any liability under *Sections 8.1 and 8.2*, respectively, unless and until the aggregate amount of all claims for Damages exceeds 150,000 Polish Zlotys (in words: One Hundred Fifty Thousand Polish Zlotys) (the "**Deductible**") and then only for Damages in excess of the Deductible.

(d) Seller's aggregate liability for Damages shall not exceed twenty-five percent (25%) of the Purchase Price, except with respect to breaches of *Section 3.4* (Ownership of Equity Interest) and *Section 4.4* (Taxes) in which case Seller's total liability, when aggregated with all other claims, shall not exceed the Purchase Price.

(e) Any Buyer Damages or Seller Damages, as the case may be, payable pursuant to this *Article 8* shall be reduced by (i) any and all income Tax benefits to the Buyer Indemnatee or Seller Indemnatee (an "**Indemnified Party**"), as the case may be, in respect of such Damages, and (ii) any and all insurance proceeds received by or payable to the Indemnified Party in respect of such Damages.

8.4. Notice of Claims. If any Indemnified Party believes that it has suffered or incurred or will suffer or incur any Damages for which it is entitled to indemnification under this *Article 8*, or if any claim, demand or Legal Proceeding is asserted or instituted by or against a third party with respect to which any Indemnified Party intends to claim any Damages, such Indemnified Party shall promptly notify the party or parties from whom indemnification is being claimed (the "**Indemnifying Party**") describing in detail the facts and circumstances with respect to the subject matter of such claim; provided, that the failure of the Indemnified Party promptly to notify the Indemnifying Party of any such matter shall not release the Indemnifying Party, in whole or in part, from its obligations under this *Article 7* except to the extent that the Indemnified Party's failure so to notify actually prejudices the Indemnifying Party's ability to defend against such third party claim or litigation.

8.5. Third Party Claims. The Indemnified Party shall permit the Indemnifying Party (at the expense of such Indemnifying Party) to assume the defense and settlement of any third party claim, demand or Legal Proceeding with respect to which any Indemnified Party intends to claim Damages, provided that the Indemnified Party may participate in such defense at such Indemnified Party's sole cost and expense. Except with the prior written consent of the Indemnified Party (which consent shall not be unreasonably withheld), no Indemnifying Party, in the defense of any such claim or litigation, shall consent to entry of any judgment or enter into any settlement that does not include as an unconditional term thereof the giving by each claimant or plaintiff to such





Execution Copy

9.2. Notices. All notices and other communications given or made pursuant to this Agreement shall be in writing and shall be deemed to have been duly given or made (i) upon delivery, if sent by hand delivery or reputable international courier service (e.g., Federal Express, DHL, etc.) with return receipt, or (ii) the next day after the date of dispatch, if sent by cable, telegram, facsimile or telecopy (with a copy simultaneously sent by reputable international courier return receipt requested), to the Parties at the following addresses:

if to Buyer, to:  
ZAMCO Sp. z o.o.  
c/o DZP  
ul. RONDO ONZ 1- lok XXI  
00-124 Warsaw, Poland

with a required copy to:  
Mr. Hugh Aiken  
3 Rue Gounod  
75017 Paris/France  
Telecopy: 011-33147549846

With additional copies to:  
Mr. Jeff Haughey, Esq.  
Blackwell Sanders Peper Martin LLP  
4801 Main Street, Suite 1000  
Kansas City, MO 64112 USA  
Telecopy: (816) 983-8080

GEM Group  
12 Stanhope Gate  
London W1K 1AW  
Telecopy: 011-442074090191

If to Seller to:  
WSK „PZL – Rzeszów” S.A.  
Ul. Hetmańska 120  
35-078 Rzeszow, Poland  
Attention: President  
Telecopy: +48 17 854 6370

With a required copy to:  
WSK „PZL – Rzeszów” S.A.  
Ul. Hetmańska 120  
35-078 Rzeszow, POLAND  
Attention: Legal Director  
Telecopy: +48 17 854 6370

With additional required copies to:  
United Technologies Corporation,  
Pratt & Whitney Division  
400 Main Street, M/S 132-12  
East Hartford, CT 06108 USA  
Attention: Associate General  
Counsel, Business Development

White & Case  
W. Daniłowicz, W. Jurcewicz i Wspólnicy  
Kancelaria Prawna spółka komandytowa  
ul. Marszałkowska 142  
00-061 Warsaw, POLAND  
Attention: Mr. Witold Daniłowicz

Any party hereto may change the address to which notice to it, or copies thereof, shall be addressed, by giving notice thereof to the other parties hereto in conformity with the foregoing.

9.3. Currency. Any amount payable under this Agreement shall be paid in Polish Zlotys.

9.4. Assignment: Governing Law: Arbitration. (a) This Agreement and all the rights and powers granted hereby shall bind and inure to the benefit of the Parties and their respective permitted successors and assigns. This Agreement and the rights, interests and obligations hereunder may not be assigned by any Party without the prior written consent of the other Party and any attempted assignment in violation of this





Execution Copy

provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the fullest extent possible.

9.8. Counterparts. This Agreement may be executed in two or more counterparts, in English language version, each of which shall be deemed to be an original but all of which together shall be deemed to be one and the same instrument.

*[The remainder of this page is intentionally left blank.]*

